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S E C R E T SECTION 01 OF 04 CONAKRY 000076

SIPDIS
SENSITIVE

E.O. 12958: DECL: 01/28/2019
TAGS: PGOV PHUM EINV PREL BIOS KIPR GV
SUBJECT: ARRESTS, APPOINTMENTS, AND MACHINATIONS: A
POLITICAL ROUNDUP FOR 19-26 JANUARY

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MINIMIZE CONSIDERED FOR AMEMBASSY TRIPOLI

REF: A. 08 CONAKRY 776
1B. CONAKRY 064
1C. CONAKRY 070

Classified By: ECONOFF T. SCOTT BROWN FOR REASONS 1.4 (B) AND (D)

11. (U) SUMMARY. Politics in Guinea continue to be fluid since the coup d'etat on 23 December 2008. Given these circumstances, post will transmit as needed roundups of presidential appointments, military arrests, and any other political machinations. END SUMMARY.

"THERE IS NO LAW IN CONAKRY"

12. (SBU) The Spanish Ambassador told Charge that military officials recently arrested four Spanish businessmen who claimed to be in Conakry to purchase gold. The Ambassador said the military suspected the Spaniards of being Latin American narcotics traffickers, even though the men stated that they have frequently traveled to Guinea in the past to buy gold. Soldiers took the men to Camp Alpha Yaya. When the Spanish Ambassador requested a consular visit at the camp, a guard refused the request, saying: "Since the coup, the constitution is suspended. There is no law in Conakry." Two of the men were subsequently released after having been denied food for over 48 hours; two are still in custody.

13. (SBU) The British Ambassador told Charge that military officials helicoptered to a gold mining camp near Siguri in Upper Guinea and demanded that the camp turn over all their stores of gold for an audit. When the mining officials in charge of the vault refused, the soldiers arrested them and took them to Conakry "to speak with the president." A CNDD spokesperson later said that the raid was part of an ongoing investigation of the unnamed company, but did not say if the military had released the detainees.

ARMY HOLDS TELECOM COMPANY OFFICIALS FOR RANSOM

14. (C) On 20 January 2008, soldiers arrested an Israeli businessman from the headquarters of the American telecommunications company Cellcom. According to a contact close to DATT, the soldiers claimed that they were sent by the Minister Secretary General of the Presidency, Major

Keletigui Faro. The soldiers arrested the company's CFO, Mr. Shai Arbas, without explaining the charges against him. Contact stated that he thought that the incident was likely initiated by a former Cellcom employee who had a grievance against Arbas.

¶ 15. (C) Though the military later returned Arbas to his company headquarters after he agreed to unstated military demands, soldiers again raided Cellcom on 22 January when the company did not comply. During the raid, Minister of Security Toto Camara arrived on the scene and ordered the soldiers to depart, which they did. At a later meeting, Executive Director of Cellcom Avi Zeidenberg told Charge that the dispute concerned unpaid severance wages owed to several former Cellcom employees. DCM raised this issue with the prime minister on 23 January, and made clear the U.S. views this type of activity by the military as unacceptable. The PM apologized for the raids, and promised to issue a statement threatening disciplinary action on any soldier who takes part in such activity (ref C).

¶ 16. (C) In a related but separate incident, a contact told DATT that soldiers detained a Franco-Senegalese director of telecommunications company Intercel on 19 January. Contact said the arrest involved a dispute over funds owed to the government, and reported that the company paid approximately \$600,000 by check for his release. Soldiers reportedly held the employee for a day at Camp Alpha Yaya so that the check could clear at the Central Bank, and then released him sometime on 21 January.

COCA-COLA REPS ALSO SHAKEN DOWN

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¶ 17. (C) On 26 January, military officials arrested several directors of Bonagui Corp., a subsidiary of Coca-Cola, after an employee told police that he had been wrongfully terminated several days earlier. Heavily armed soldiers appeared in the company's office and requested that the General Manager, Financial Manager, and Human Resources Manager accompany them to Camp Alpha Yaya. After interrogating the company officials for several hours, the soldiers finally released them without making a final assessment of the case.

SUMMONSES ISSUED AS AUDIT COMMITTEE BEGINS WORK

¶ 18. (U) Over the past two weeks, an audit committee began spearheading investigations into a variety of alleged misdeeds by political power players and other well known economic actors. Minister of Defense Sekouba Konate heads the committee, which is composed of both of soldiers and civilians. At their behest, military officials detained and escorted the following individuals and groups to Camp Alpha Yaya, reportedly to justify their outstanding balances with the Central Bank of Guinea or alleged misuse of funds.

-- Mamadou Sylla, controversial tycoon with close ties to late President Conte - \$22 million in overcharges and additional GNF 16 billion (\$3.3 million) in irregular Central Bank withdrawals.

-- Managing Director of the Guinean electric utility EDG - GNF 6 billion (\$1.25 million) for irregular loans from the bank BNP Paribas.

-- Idrissa Thiam, former Protocol Director at the Presidency - \$40 million in missing funds donated by Kuwait. According to a contact, Thiam had originally not planned to honor the CNDD summons; however, military officials arrested one of Thiam's sisters, whom the CNDD released when Thiam presented

himself at the camp.

-- Managing Director of Rusal, the Russian mining giant - GNF 67 billion (\$13.9 million) in funds owed to the state.

-- Alseny Barry, sugar importer with close ties to former Prime Minister Lansana Kouyate, and Mamady Kourouma, rice importer - \$14 million for irregular loans from the bank BNP Paribas.

-- Baidy Aribot, ex-Minister of Youth and Sport - mismanagement of GNF 70 billion (\$14.5 million) in funds for the 2008 African Nations Cup in Accra.

-- Ousmane Dore, former Minister of Finance - mismanagement of GNF 25 billion (\$5.2 million) for Guinea's 50th Anniversary of Independence celebration.

-- Abdoul Aziz Soumah, former official at the Islamic League, and Sekouba Conde - GNF 9.7 million (\$2 million) in missing funds associated with the 2006 hadj.

-- Several business owners connected to the International Bank for Africa in Guinea (Banque Internationale pour l'Afrique en Guinee - BIAG), including Mamadou Sylla and the owners of the large Conakry supermarket SuperBobo - GNF 17 billion (\$3.5 million) of mishandled funds connected to the bankruptcy of the bank.

-- Board of Directors of the Alumina Company of Guinea (ACG) - GNF 67 billion (\$13.9 million) in mishandled funds.

-- Adinand Aboukhalil, the Lebanese owner of lottery firm Lonagui-PMU Guinee - GNF 4 billion (\$833,000) in overdue taxes and fees.

-- Elhadj Gale Hann, transport and fuel magnate - GNF 1.7 billion (\$354,000) in missing funds.

-- Sylla Mariador, hotel owner; Guelquedji Barry, sugar and rice importer; and Alpha Amadou Diallo, rice importer - GNF 17 billion (\$3.5 million)

¶9. (SBU) As of 27 January, most of the individuals summoned CONAKRY 00000076 003.2 OF 004

had been released pending further investigation. The CNDD announced that charges had been dropped against Dr. Ousmane Dore, Baidy Aribot, and all involved in the BIAG affair. Idrissa Thiam is still in custody at Camp Alpha Yaya.

CHINESE DRUG COUNTERFEITERS ARRESTED

¶10. (U) On 21 January, military officials announced the arrest of three Chinese charged with peddling fake, French-branded pharmaceuticals. The men reportedly manufactured the drugs using flour as a primary ingredient. A CNDD spokesperson said that an investigation into the matter is currently pending (ref C).

RIO TINTO AND BSRG ORDERED TO HALT OPERATIONS

¶11. (S) On 20 January, the CNDD ordered mining giant Rio Tinto and rival mining company Benny Steinmentz Resource Group (BSRG) to halt all operations on the disputed Simandou claim in southeastern Guinea. During the late President Conte's administration, the GoG had revoked Rio Tinto's rights to the Simandou claim. Rio alleged that corrupt practices by BSRG had led to the revocation (ref A). According to sources, an audit commission will investigate the rival claims and make a determination in the matter, though the CNDD has not announced a timetable for a final

decision.

NEW MINISTER OF MINES SAYS CONTRACTS WILL NOT BE REVISED

¶12. (U) On 21 January, new Minister of Mines Mahmoud Thiam announced that the military junta would not revise any mining contracts currently in force. This statement apparently contradicts a previous presidential pronouncement vowing a thorough audit and potential revision of mining agreements between the state and private stakeholders. Taking many observers by surprise, the minister said that contracts would only be reviewed for compliance, as "Guinea is a state that signed contracts which carry the force of law between the signatories." (NOTE: In the days following the announcement, Embassy has received no information that the junta reversed this decision. END NOTE.)

LIBYA DONATES GENERATORS AS KOUYATE RETURNS TO CONAKRY

¶13. (S) Libya recently donated two large electrical generators, each with a 640 KW generating capacity, to the CNDD, along with the cargo aircraft that was used to transport them. The generators are reportedly worth \$2 million each. Press sources speculated that the generators would be used to provide power to the outer suburbs of Conakry. A DATT contact tied the arrival of the generators to the return of former Prime Minister Lansana Kouayte, who might claim credit for securing the generators, and use the resulting boost in his popularity to reenter the political fray (ref B).

APPOINTMENTS AND BIO NOTES

¶14. (U) Minister of Mines - Mahmoud Thiam. Thiam is a Guinean expatriate who left Guinea when he was approximately two years old after his father was detained at the infamous Camp Boiro prison. Raised in France and Belgium, Thiam later studied at Cornell. He pursued a career in investment banking at Merrill Lynch before accepting a position at UBS in New York, where he was eventually promoted to the rank of vice president. He is reportedly highly skilled in financial matters, and apparently obtained his appointment due to his professional relationship with Prime Minister Kabine Komara. Thiam has spent almost all of his life outside Guinea. He is married with two or three children.

¶15. (C) Head of Mining Funds (Fonds Minier) - Laye Keira. Keira, a Malinke, is the half-brother of notorious

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hardliner and former Minister Secretary General for the Presidency Alpha Ibrahima Keira. Laye Keira replaced Tidiane Diallo, a Puehl who worked for many years at the USAID Mission in Conakry. Keira is reportedly close to former Finance Minister Ibrahima Kassory Fofana. (COMMENT: While officially the Fonds Minier is a public body that supports geological research and finances the Ministry of Mines thanks to annual payments of \$5 million from CBG, it has in the past been used as a private slush fund for the Minister of Mines and other public officials. END COMMENT.)

¶16. (U) Minister of Pre-University Education - Kaba Rougui Barry. A Puehl, Barry is a well respected political figure and one of the most prominent female politicians in Guinea. Barry became a force in politics at 53 years old when she was elected mayor of Conakry's Matam district, and was the first woman to hold a mayoralship after the GoG legalized political parties in 1990. Her reelection in 1996 reportedly irritated President Conte, who attempted to block her from taking office. In 2001, Barry joined the opposition Union of

Republican Forces (UFR) party, but only after the GoG passed a law requiring mayoral candidates to join political parties.

In March 2004, she was arrested and imprisoned for 44 days after being accused of plotting a coup. After leaving office, she founded her own humanitarian NGO, and is perceived as outspoken on the social and political future of the country. In November 2008, she told the press that she might run for president. Her nomination replaces the previous minister of pre-university education, Hadja Aisha Bah, who had been appointed by the CNDD on 14 January.

¶17. (SBU) Minister of State Monitoring - Al-Hassan Onipogui. Onipogui, a Forestier from Macenta, is a former inspector general for mines (1992-1996) and reportedly very close to Dadis Camara. In this role, Onipogui will monitor various states that the government holds in mining companies such as CBG. Prior to joining the government, Onipogui had planned to start a mining consultancy after he learned that he had not been chosen as Minister of Mines. A fawning press article recently described him as "...one of the new class of patriotic intellectuals who have integrity and are incorruptible." He has studied abroad in Canada, France, and Morocco.

COMMENT

¶18. (C) Outwardly, the military junta appears to be making good on its promises to "clean up Guinea," but the CNDD's tactics raise significant human rights concerns. Recent events suggest that soldiers plan to use the ongoing audits as justification for harassment, kidnapping, and financial shakedowns. Recent appointments seem to have come from a variety of rival factions, supporting previous reports that the CNDD remains internally divided, with players promoting individual interests over a common vision for moving the country forward. END COMMENT.

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